

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on March 27, 2001 at 7:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Brett Tramelli (D)
Rep. James Whitaker (R)

Members Excused: Rep. Rod Bitney, Vice Chairman (R)

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB650, 3/23/2001
Executive Action: SB405, SB480, SB340, SB445,
HB650, HB593, SB469, SB474,
SB298, SB327, SB465

EXECUTIVE ACTION ON SB405

Motion/Vote: REP. LAIBLE moved that SB405 BE CONCURRED IN. Motion carried unanimously.

REP. LINDEEN will carry the bill in the House.

EXECUTIVE ACTION ON SB480

Motion/Vote: REP. FRITZ moved that SB480 BE CONCURRED IN. Motion carried unanimously.

REP. LAIBLE will carry the bill in the House.

EXECUTIVE ACTION ON SB340

Motion: REP. LAWSON moved that SB340 BE CONCURRED IN.

Discussion:

REP. FRITZ said she would like someone else's opinion because she thought perhaps a real estate agent could misrepresent himself and say he owned the property.

REP. LAIBLE said he had thought of that too, but it is covered under existing rules for realtors.

REP. PRICE said he thought that was what the disclosure part concerned.

REP. HIMMELBERGER said the current law pertains to rental property.

Vote: Motion carried unanimously.

REP. BITNEY will carry the bill in the House.

EXECUTIVE ACTION ON SB445

Motion: REP. LAIBLE moved that SB445 BE CONCURRED IN.

Discussion:

REP. LAIBLE said he liked the bill because he thought it would streamline economic development and there was a minimum cost for the changes. He moved an amendment to the bill. **EXHIBIT (buh69a01)**

Mr. Higgins said the amendment had a combination of clean-up and choices by the administration as to where certain programs would be re-allocated. He noted the title changes reflected substantive changes. Changes he cited were: 1) extending from 2005 to 2009 the expendable trust fund date, 2) moving horse racing to the Department of Livestock, 3) moving consumer affairs to the Department of Administration, and 4) changing resource allocation and the statutory appropriation section.

REP. WHITAKER said banking and finance will be under the Department of Administration.

REP. GALLIK moved to segregate #3, #10-16 and #18-48 amendments. He said this changes the Consumers Office from Justice to Administration. "I think this is an extremely important office and it should be in the Justice Department," he said. He continued saying that Justice had the expert staff and was responsible for enforcing laws and that is where the Consumer's Office belonged. "Leave it in the DOJ," he said, "they understand it."

CHAIRMAN MCKENNEY told the committee they would discuss and vote on the remainder of the amendments first, and the segregated amendments next.

Discussion on LAIBLE Amendment (minus GALLIK motion to segregate:

REP. PRICE asked about the elimination of the Board of Printing.

Director Simonich said the bill as drafted eliminates the Board of Printing. He said it meets infrequently and met in 1999 to set rules for publishing legal notices. The rule making would be placed with DOJ. "It wasn't used that often, that's why we eliminated it," he said.

Vote: Motion carried 14-4 with Gallik, Galvin-Halcro, Keane, and Musgrove voting no.

REP. GALLIK said he would like a voice in having Consumers Affairs at the DOJ. He said it should stay there and there no overwhelming reason why it should move.

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REP. LAIBLE asked **Director Simonich** how he felt about Commerce compared to Justice for the Consumer Affairs Office.

Director Simonich said Consumer Affairs had been in Commerce then they thought of Justice, now they thought Administration was better.

REP. GALLIK said if the committee wants it to go to Justice they should vote NO on the segregated amendment.

Mr. Higgins rephrased **REP. GALLIK's** statement saying if the committee wanted it to stay in DOJ they should vote NO.

REP. GALLIK said, "I ask you to vote NO and move it to Justice." He continued saying this bill was 175 pages and there had been lots of time and energy spent on it. He said it was not right at the last minute to move Consumer Affairs to Administration when it was more appropriate in Justice.

REP. PRICE said he appreciated **REP. GALLIK's** experience in the Auditor's Office and asked why it would not be better there.

REP. GALLIK said he had experience in the Auditor's Office and the Attorney General's Office. He said banking would be better there, but added that Consumer Affairs was more than banking and dealt with "lemon laws, etc."

REP. LAIBLE said in response to **REP. GALLIK's** segregated amendments he thought they should keep it like it was, because lots of work had been done on it and it would be an "ever-evolving art form." He said they think Administration is better for it than Justice.

REP. GALLIK said, "Who is they?" He said he talked to the Attorney General who strongly believes it would be best in DOJ, and he didn't believe law enforcement was on board with the change either.

REP. LAIBLE said he thought "they" was the **Governor** and Administration.

REP. Vote: Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Matthews, Musgrove, and Tramelli voting no.

Motion: **REP. LAIBLE** moved that **SB445 BE CONCURRED IN AS AMENDED.**

Discussion:

REP. JUNEAU said she still did not have a current fiscal note and a list of the exempt personnel, including the D.C. one, and what

the pay would be. She said there should be a better explanation of how this \$1.2 million will be spent. "There have been some fancy charts for us, but no details," she said.

EXHIBIT (buh69a02) EXHIBIT (buh69a03) EXHIBIT (buh69a04)

REP. STEINBEISSER said he liked the bill but not when \$850,000 comes from the university.

REP. GALLIK said he would like to offer the amendment expressed by **SEN. STONINGTON** which does not take the \$850,000 from the university. He said based on previous awards, up to \$30 million in matching grants could be lost by taking this money.

CHAIRMAN MCKENNEY pointed out there had been no opposition to this bill other than where the money was coming from. He said he had talked to the administration and they said if this amendment came forward, the committee may want to vote for it, and let the administration see if they can find funding elsewhere.

Vote: Motion **carried unanimously.**

Motion/Vote: **REP. GALLIK** moved that **SB445 BE CONCURRED IN AS AMENDED.** Motion carried 17-2 with Juneau and Musgrove voting no.

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HEARING ON HB650

Sponsor: **REP. DOUG MOOD, HD58, SEELEY LAKE**

Proponents: Director Mark Simonich, Department of Commerce
Webb Brown, Montana Chamber of Commerce
John Cadby, Montana Bankers Assn.
Rhonda Carpenter, Montana Housing Providers

Opponents: None

Opening Statement by Sponsor:

REP. DOUG MOOD, HD58, SEELEY LAKE, said this act provides for a centralized financial assistance center within the Department of Commerce. The act will consolidate hard-to-find grant and loan programs. He said to find these programs now, a person must go to each website and look for the links. They are placed under different headings and there is no single entity that knows about all of them. He said that banks don't know what is out there and neither do the state or individuals. The clearinghouse formed by this bill will have the job of knowing where all the grants and

loans are and will take care of the paperwork of gathering all the applications. It will also make sure the State website has a listing that says "grants and loans," and directs the seeker to the correct location after that.

Proponents' Testimony:

Director Simonich said he was present to represent the **Governor** and the Department of Commerce. He said this bill is a second piece of legislation of the **Governor's** economic development package. He said the bill focuses on special assistance for the individual seeking grants. The bill also includes a clean-up portion which takes out grants no longer available and a repealer section of programs no longer operated.

Mr. Brown said the bill creates a clearinghouse and streamlines the process. "Let's bring these funding sources together and make them accessible," he said.

Ms. Carpenter said a study commission six years ago consolidated housing and lending programs under one roof. She said they all came to the table and coordinated so one application can be filled out for the loan. She said then a team taught banks how to use the programs. She noted they were able to reach counties and areas which had not been reached before.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. GALLIK asked **Director Simonich** about the wisdom of repealing 17-6-502. **Director Simonich** said it had never been funded. **REP. GALLIK** said he was concerned with repealing one of the only statutes Montana had dealing with renewable energy resources and conservation programs. He said we should encourage conservation and renewable energy resources. **Director Simonich** said if it had not been funded for a considerable time, why not get rid of it. He said, "If you want to leave it on the books, then work for the funding of it." **REP. GALLIK** said he would like to see it funded and he would offer an amendment to leave it on the books. **Director Simonich** said his concern was that people can find grants and loans which are funded.

Closing by Sponsor:

REP. MOOD stated the purpose of the bill was to streamline the access to the grant loan program.

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EXECUTIVE ACTION ON HB593

Motion: REP. LAIBLE moved that HB593 DO PASS.

Discussion:

Motion: REP. LAIBLE moved that HB593 BE AMENDED.

Discussion:

Mr. Higgins said this amendment was introduced by **REP. VICK** yesterday. He said it clarifies these dues are automatically deducted from the employees' pay, and reduces the time frame required by the Commissioner of Political Practices.

REP. GALLIK said the amendment will limit the bill's applicability to the MEA/MFT because no one else has automatic deduction, and thereby the amendment targets the education community.

REP. KEANE said it doesn't only target the MEA/MFT, it affects others too, and makes a bad bill messy.

REP. FRITZ said she didn't know if all unions bargain, but this is a part of collective bargaining, and interferes with the operation of the unions.

REP. GALVIN-HALCRO said MEA/MFT is voluntary and people don't have to belong. She said this amendment interfered with her rights of what she wanted to belong to.

REP. LAIBLE said the sponsor felt this would make the bill more acceptable, and he liked it.

Vote: Motion failed 9-10 with Bitney, Bookout-Reinicke, Brown, Himmelberger, Laible, McKenney, Price, Steinbeisser, and Whitaker voting aye.

Motion: REP. LAWSON moved that HB593 BE TABLED.

CHAIRMAN MCKENNEY said he was not ready to recognize that motion.

REP. LAIBLE said he had received lots of letters about "voices being silenced," but he didn't think the bill silenced them, because they are silenced already. He said if asking them once a year what they want to do is too much bother, then they are really silenced. He said there is lots of pressure to kill this bill like **REP. LAWSON** wants, but he felt it should be heard by the whole House.

REP. MUSGROVE called the bill a "veiled euphanism" for "get the unions." He said if the sponsor really wanted bi-partisan campaign finance reform, then he should do something to ban soft money, and give the legislative process back to the people.

REP. KEANE said he had paid union dues every month for 50 years. "This bill has nothing to do with the workers," he said. He said the heaviest lobby is not the union, but the insurance and stockholders. He said he agreed it should be tabled and "never see the light of day."

REP. HIMMELBERGER said "stockholder doesn't hold water." A person doesn't have to buy stock, he said, it is totally elective. He said he had a brother who was a union member. He said those who don't participate, pay the price.

REP. MATTHEWS said the committee had heard a lot and had heard it last time. He noted there had been lots of pressure on everybody. He said he had only been a union man three years and he was happy to pay the dues. "This bill needs to die," he said.

REP. GALLIK said he had to join the Montana Bar Assn. to practice, and a portion of his dues went to political efforts. He said this bill doesn't address that. He said the intimidation factor was brought up so a better idea might be to make a bill saying "if you intimidate you will be prosecuted." He said the U.S. Senate turned down legislation, similar to HB593.

REP. BROWN said he had knocked on every door in his district seven times. He said no one said they wanted a right-to-work law so he didn't support it. He noted he had received cards and letters in support of this bill. He said it is uncomfortable for a worker to walk in and say discontinue their dues to the person who will be deciding who gets the next job.

REP. STEINBEISSER said the Feedgrowers PAC and the Stockgrowers PAC must get written permission or no money can be taken out of checks.

REP. FRITZ said union leaders and organizations act in a responsible manner because they want their workers happy. If the

employees opt out, it is up to the leaders to make them happy. "I would say as a union organizer that any one who wanted to opt out, could," she said.

Motion/Vote: REP. LAWSON moved that HB593 BE TABLED. Motion carried 12-7 with Bitney, Bookout-Reinicke, Brown, Himmelberger, Laible, McKenney, and Whitaker voting no.

EXECUTIVE ACTION ON HB650

Motion: REP. HIMMELBERGER moved that HB650 DO PASS.

Discussion:

REP. BOOKOUT-REINICKE moved to put back in the railroad repealer section.

REP. LAIBLE said he rejected the amendment and that REP. BOOKOUT-REINICKE should talk with Director Simonich.

REP. BOOKOUT-REINICKE said, "I sat with him and it is not a problem with him or REP. MOOD, they don't care."

REP. BROWN said, "I love repealers." He added he didn't think it would hurt the bill at all.

Vote: Motion carried 10-9 with Bitney, Brown, Himmelberger, Laible, McKenney, Price, Rome, Steinbeisser, and Whitaker voting no.

Motion: REP. GALLIK moved that HB650 BE AMENDED.

Discussion:

REP. GALLIK said he would like to keep the energy and resource act and that REP. MOOD had no problem with his amendment.

Vote: Motion carried 11-8 with Bitney, Brown, Laible, McKenney, Price, Rome, Steinbeisser, and Whitaker voting no.

Motion/Vote: REP. GALLIK moved that HB650 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON SB469

Motion: REP. BOOKOUT-REINICKE moved that SB469 BE CONCURRED IN.

Discussion:

Motion/Vote: REP. GALVIN-HALCRO moved that SB469 BE AMENDED.

Motion carried unanimously.

Motion/Vote: REP. GALVIN-HALCRO moved that SB469 BE CONCURRED IN AS AMENDED. Motion carried 15-4 with Fritz, Juneau, Keane, and Musgrove voting no.

REP. LAWSON will carry the bill in the House.

EXECUTIVE ACTION ON SB474

Motion: REP. LAWSON moved that SB474 BE CONCURRED IN.

Discussion:

Motion: REP. LAIBLE moved that SB474 BE AMENDED.

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Vote: Motion carried unanimously.

Motion/Vote: REP. LAIBLE moved that SB474 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON SB298

Motion: REP. BOOKOUT-REINICKE moved that SB298 BE CONCURRED IN.

Discussion:

Motion/Vote: REP. LAWSON moved that SB298 BE AMENDED. Motion carried 18-1 with Whitaker voting no.

Motion: REP. LAWSON moved that SB298 BE CONCURRED IN AS AMENDED.

Discussion:

Motion/Vote: REP. KEANE moved that SB298 BE AMENDED. Motion carried unanimously.

Motion/Vote: REP. KEANE moved that SB298 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON SB327

Motion: REP. BROWN moved that SB327 BE CONCURRED IN.

Discussion:

Motion/Vote: REP. BROWN moved that SB327 BE AMENDED. Motion carried unanimously.

Motion/Vote: REP. BROWN moved that SB327 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON SB465

Motion: REP. GALVIN-HALCRO moved that SB465 BE CONCURRED IN.

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Discussion:

Motion/Vote: REP. GALVIN-HALCRO moved that SB465 BE AMENDED. Motion carried unanimously.

Motion/Vote: REP. GALVIN-HALCRO moved that SB465 BE CONCURRED IN AS AMENDED. Motion carried 18-1 with Keane voting no. REP. GALVIN-HALCRO will carry the bill in the House.

EXECUTIVE ACTION ON SB277

Motion/Vote: REP. GALLIK moved that SB277 BE TAKEN OFF THE TABLE. Motion failed 9-10 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Lawson, Matthews, Musgrove, and Tramelli voting aye.

EXECUTIVE ACTION ON SB383

Motion/Vote: REP. GALLIK moved that SB383 BE TAKEN OFF THE TABLE. Motion failed 7-12 with Fritz, Gallik, Galvin-Halcro, Keane, Matthews, Musgrove and Tramelli voting aye.

ADJOURNMENT

Adjournment: 11:30 A.M.

REP. JOE MCKENNEY, Chairman

JANE NOFSINGER, Secretary

JM/JN

EXHIBIT (buh69aad)